



[Home](#) › [Media centre](#) › [Media releases](#) › Unemployment rate falls to 3.4%

# Unemployment rate falls to 3.4%

Media Release

Released 17/11/2022

**Source:** [Labour Force, Australia, October 2022](#)

The seasonally adjusted unemployment rate fell 0.1 percentage point to 3.4 per cent in October 2022, according to data released today by the Australian Bureau of Statistics (ABS).

Bjorn Jarvis, head of labour statistics at the ABS, said: "With employment increasing by around 32,000 people, and the number of unemployed decreasing by 21,000 people, the unemployment rate fell by 0.1 percentage point to 3.4 per cent."

For men, the seasonally adjusted unemployment rate fell 0.3 percentage points to 3.2 per cent, the lowest rate since November 1974. For women, it remained steady at 3.6 per cent.

The seasonally adjusted participation rate remained steady at 66.5 per cent, slightly below the historical high of 66.7 per cent.

"The participation rate was 0.2 percentage points below the record high of 66.7 per cent in June 2022, but 0.7 percentage points higher than before the pandemic," Mr Jarvis said.

The participation rate fell slightly for men, down to 70.9 per cent, and remained steady for women at 62.3 per cent.

## Employment and hours worked

Seasonally adjusted employment increased by 32,000 people (0.2 per cent) in October 2022. Given the size of this increase, the employment to population ratio increased 0.1 percentage point to 64.3 per cent.

Seasonally adjusted monthly hours worked increased by 2.3 per cent, stronger than the growth in employment (0.2 per cent). This stronger growth in hours partly reflected fewer employed people than usual taking leave during October.

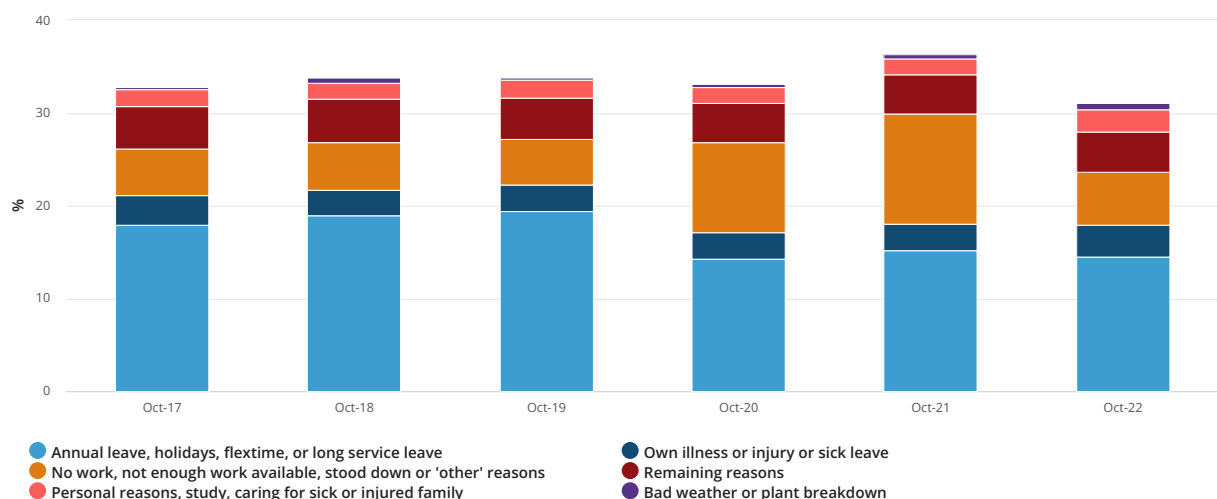
"The number of people who worked fewer hours because they were on annual leave increased between September and October, consistent with school holidays and public holidays. However, the number of people on annual leave in October 2022 was around 10 per cent less than we typically see at this time of the year," Mr Jarvis said.

Some of this difference may reflect people who would normally have taken annual leave being sick instead, with around 30 per cent more people than usual working reduced hours in October due to sickness.

"While the number of people working fewer hours due to sickness was around a third higher than we'd usually see in October, it was no longer two-to-three times higher, as it was earlier in 2022. October was the first month in 2022 where the number of people was less than half a million (467,000)," Mr Jarvis said.

Flood events across New South Wales, Victoria and Tasmania saw more people working reduced hours due to bad weather, increasing from 66,000 people in September to 100,000 in October 2022.

## Proportion of employed people who worked fewer hours than usual in October, Original



## Underemployment and underutilisation

The seasonally adjusted underemployment rate fell 0.1 percentage point to 5.9 per cent, 2.8 percentage points below the pre-pandemic rate.

The underutilisation rate, which combines the unemployment and underemployment rates, fell 0.2 percentage points to 9.3 per cent in seasonally adjusted terms. This was 4.6 percentage points below March 2020, and the lowest rate since March 1982.

"The low underutilisation rate of 9.3 per cent in October 2022 reflects the fact that there are now around 236,000 fewer unemployed people and 365,000 fewer underemployed people than in March 2020. Unemployment and underemployment are both now around two-thirds of what they were," Mr Jarvis said.

## Underlying trend data

Trend employment increased by 17,000 people in October 2022 (0.1 per cent), consistent with the 0.1 per cent increase in trend monthly hours worked.

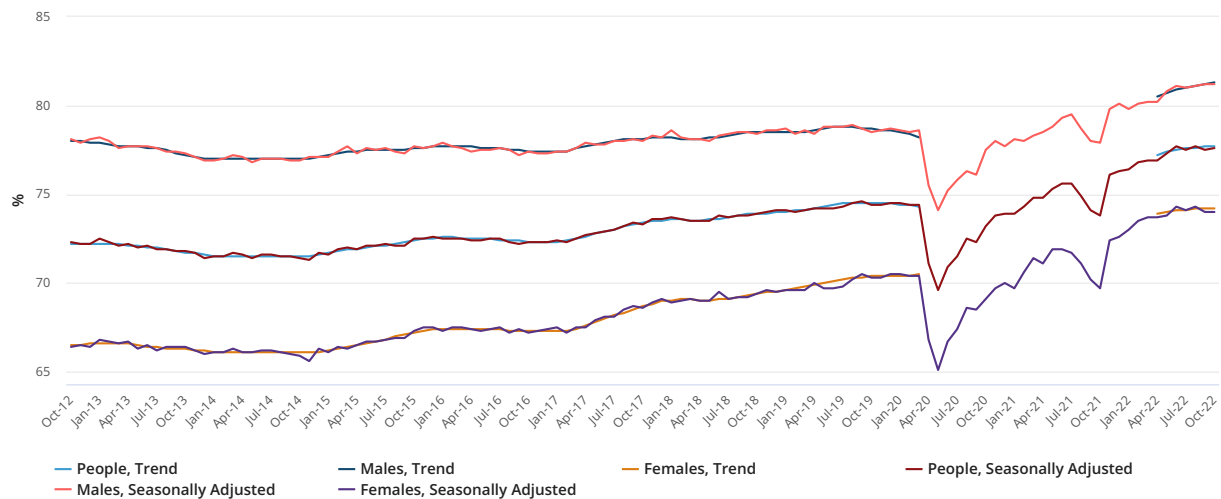
"Although employment in seasonally adjusted terms rose 0.2 per cent in October 2022, the underlying trend estimate was monthly growth of around 0.12 per cent. This was below the average for the 20 years prior to the pandemic of 0.16 per cent," Mr Jarvis said.

"This indicates that while employment has continued to grow, the rate of growth has slowed to below the longer-term average. It has been below this average for the past 5 months.

"While employment growth had slowed, the employment to population ratio remains elevated at 64.3 per cent in trend terms, 2.0 percentage points higher than before the pandemic. This difference was even more pronounced for the 'working age population' (those aged 15 to 64 years), at 77.7 per cent, which was 3.4 percentage points higher than March 2020.

"The working age population in Australia is more employed than it has ever been. Working age women have seen a particularly rapid increase, compared with the eve of the pandemic, from 70.5 per cent to 74.2 per cent," Mr Jarvis said.

## Employment to population ratio for the working age population



- Source: Labour Force, Australia Table 18
- Large month-to-month changes occurred during the COVID-19 pandemic, resulting in multiple trend breaks. The ABS recommends caution when using trend estimates published in spreadsheets in this release for this period. Information on trend breaks can be found in [Labour Force, Australia methodology, October 2022 \(/methodologies/labour-force-australia-methodology/oct-2022\)](https://www.abs.gov.au/methodologies/labour-force-australia-methodology/oct-2022).

The trend unemployment rate fell slightly to 3.4 per cent and the underemployment rate remained steady at 6.0 per cent.

The trend participation rate remained steady at 66.6 per cent.

Today's release includes additional analysis of hours worked and historical charts back to 1966.

Further information, including regional labour market information, will be available in the upcoming October 2022 issue of Labour Force, Australia, Detailed, due for release on Thursday 24 November 2022.

The ABS would like to thank Australians for their continued support in responding to our

surveys.

## Media notes

- The October survey reference period was from 2 October to 15 October 2022. The November survey reference period is from 30 October to 12 November 2022.
- To learn more about our different labour measures, their purpose and how to use them, see our new [Guide to labour statistics \(/statistics/understanding-statistics/guide-labour-statistics/\)](/statistics/understanding-statistics/guide-labour-statistics/). It provides summary information on labour market topics including [Industry employment \(/statistics/understanding-statistics/guide-labour-statistics/industry-employment-guide/\)](/statistics/understanding-statistics/guide-labour-statistics/industry-employment-guide/) data.
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